Beter Bed Holding

PRESS RELEASE

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Beter Bed: decrease in revenue and simplification of formula portfolio in the Benelux places extra pressure on net profit

- **Net revenue totalled € 357.4 million in 2013, 10.0% lower than in 2012 (€ 397.3 million).**
- **Simplification of formula portfolio through the closure of Matrassen Concord Benelux and Slaapgenoten stores; related non-recurring expenses amounted to € 6.5 million (total non-recurring expenses 2013: € 7.5 million).**
- **Further focus enables Beter Bed to expand the market position of the Beter Bed and BeddenREUS formulas.**
- **Operating profit (excluding the non-recurring expenses) decreased to approximately € 19.6 million (5.5% of revenue) in 2013 (2012: € 31.2 million; 7.9% of revenue).**
- **Net profit excluding non-recurring expenses amounted to approximately € 14.2 million in 2013 (2012 excluding non-recurring expenses: € 22.2 million).**

Revenue decreased by 10.0% in the fourth quarter of 2013 to € 90.8 million (fourth quarter 2012: -6.6%). Revenue at comparable stores fell by 9.2% in the fourth quarter of 2013 (decrease for the full year 2013: 11.2%).

Revenue at Matratzen Concord in Germany remained under pressure in the fourth quarter due to consumers' lower propensity to buy in the home furnishings and bedroom furniture segments. Revenue at comparable stores in Germany decreased by 6.5% in the fourth quarter of 2013 (fourth quarter of 2012: -7.7%). The total revenue in the fourth quarter decreased by 4.1% (fourth quarter 2012: -2.9%).

Revenue in comparable stores in the Netherlands fell by 16.1% in the fourth quarter, while revenue decreased by 18.8%.

Net revenue of € 357.4 million was achieved for the full year 2013 (2012: € 397.3 million). The change in revenue per country for the full year 2013 compared to the full year 2012 is as follows:

Germany	-4.7%
Netherlands	-17.1%
Spain	-48.4%
Switzerland	2.4%
Austria	4.0%
Belgium	-25.0%

75 stores were opened (2012: 128 stores) and 119 stores were closed (2012: 96 stores) in 2013. The high number of store closures in 2013 is primarily the result of the closure of 32 stores in Spain. Location improvements were involved in 14 cases. The number of stores decreased by 44 on balance from 1,219 to 1,175. The number of stores decreased by eight in the fourth quarter of 2013 (18 openings and 26 closures).

Strategic focus in Benelux on Beter Bed and BeddenREUS
In the current market we encounter sharply decreasing visitor numbers in the Dutch and Belgian Matrassen Concord stores, which are usually located outside home furnishing centres and/or retail parks. In the Netherlands this decline is mainly caused by continuing low consumer confidence as a result of the economic crisis. In addition, we have seen that the distinction between this formula and the BeddenREUS formula is becoming increasingly smaller. The same development was also visible in the higher segment in which the Slaapgenoten formula faced increasing difficulties as a relatively small player. Despite far-reaching cost savings and substantial margin improvements the severe pressure on revenue led to lower results at the aforementioned formulas and consequently to lower results of Beter Bed Holding N.V. as a whole.

In light of the above, it has been decided in 2014 to simplify the formula portfolio in the Benelux and to place the strategic focus on the Beter Bed and BeddenREUS formulas in these countries. The operation of the Matrassen Concord Benelux and Slaapgenoten formulas will consequently be terminated in the course of 2014.

Non-recurring expenses 2013
All the non-recurring expenses connected with the discontinued Matrassen Concord Benelux and Slaapgenoten formulas totalling approximately € 6.5 million have been included in the 2013 profit. In addition to the expenses for simplifying the formula portfolio, a total of € 1.0 million in non-recurring reorganisation expenses have been included. This relates primarily to both the reorganisations in Spain and the reduction of staff at the Benelux head office.
The aforementioned non-recurring expenses have a limited effect on the liquidity position. The company continues to amply fulfil the covenants agreed with the financiers.

Outlook results 2013
Net profit in the fourth quarter including non-recurring expenses is expected to total approximately nil (Q4 2012: € 0.9 million). The effect of the non-recurring expenses in the fourth quarter totalled a net amount of € 5.0 million.

The company expects to have realised operating profit of approximately € 12.1 million for the full year 2013 (2012: € 23.7 million) including non-recurring expenses. This means operating profit will be 49.0% lower than last year. Excluding the aforementioned non-recurring expenses the decrease in operating profit amounts to 37.2%.

Net profit (after non-recurring expenses) for the full year 2013 is expected to amount to approximately € 8.2 million (2012: € 14.4 million). This represents a decrease of € 6.2 million (-43.0%) compared to 2012.

The final figures for 2013 will be published on 14 March 2014. The results stated in this press release have not been audited.

Profile
Beter Bed Holding N.V. operates in the European bedroom furnishings market. Its activities include retail trade through a total of 1,175 stores at the end of 2013 that operate via the chains Beter Bed (active in the Netherlands and Belgium), Matratzen Concord (active in Germany, Switzerland, Austria, the Netherlands and Belgium), El Gigante del Colchón (active in Spain), BeddenREUS and Slaapgenoten (both active in the Netherlands) and Schlafberater.com (active in Switzerland). Beter Bed Holding is also active in the field of developing and wholesaling branded products in the bedroom furnishing sector in the Netherlands, Germany, Belgium, Spain, Austria, Switzerland and the United Kingdom via its subsidiary DBC International. Beter Bed Holding N.V. achieved net revenue of € 357.4 million in 2013. Over 67% of the group's net revenue is realised outside the Netherlands. The company has been listed on the NYSE Euronext Amsterdam since 1996 and is included in the Amsterdam Small Cap Index.

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